

THE SOUTHERN CO-PROSPERITY SPHERE AND ITS CHARACTER

By

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with an epigraph by His Excellency, General Kuniaki KOISO,
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/p.160/ French Indo-China and Japan.

- /p.168/ 1. Historic relations
2. Economic relations

Thoroughgoing Anti-Japanese Customs Duties

In view of their historic relations it would be natural that trade relations between Japan and French Indo-China would be very close, but the reverse is the case. This is because the flowing in of our goods is being suppressed by means of high protective tariffs of a complicated nature in accordance with the exclusivism of France proper.

/p.169/ In French Indo-China there is an institution called the Indo-China Commercial and Industrial Association organized by Frenchmen and those who, living in France proper, have connections with French Indo-China. This institution, wielding decisive controlling influence, excludes Japanese goods as far as their importation into French Indo-China is concerned, overriding the interests of native consumers, while it concedes "most favored nation" treatment to Japanese goods imported to "France and Algeria" for the reason, as it maintains, that the import of good, cheap Japanese goods oppresses the industries of France proper, which stand in a competitive relation with those of Japan.

At every opportunity Japan did its best to improve this situation, but in vain. However, in 1932 a commercial agreement was at last concluded to the effect that either the lowest or a medium rate of customs duty was to be imposed upon imported goods from Japan, while coal and zinc from French Indo-China were to be imported duty-free to Japan. But, even after the agreement was reached, the raising of the custom rates was carried out. Since 1932, an exchange compensation surtax has been imposed upon goods imported from the countries where the exchange had become unfavorable, and other restrictive measures of various kinds, such as a quota system or a licensing system for imports have been adopted. Consequently, it is almost impossible for the market for our goods to expand.

Hence the trade between Japan and French Indo-China is quite one-sided, and the following list will show you how unfavorable the balance is to Japan:

/p.170/ JAPAN'S TRADE WITH FRENCH INDO-CHINA (¥10,000)

<u>Year</u>	<u>Exports</u>	<u>Imports</u>	<u>Excess of Imports</u>
1934	265	1.062	797
1935	402	1.501	1.099
1936	470	2.051	1.545
1937	462	2.701	2,236
1938	318	2.030	1.712
1939	198	2.665	2.467

The surprising import figure of ¥26,650,000 in contrast with exports of ¥1,980,000 is seen for 1939. This is tantamount to the prohibition of importation from Japan.

French Indo-China is a French territory, so there is no objection to her importation of French made goods duty free, and it may be unavoidable that heavy taxes are imposed on foreign goods but we are quite perplexed to understand why they should levy on Japanese goods taxes fourfold the rate of those on European ones. I wonder why Japan should have kept silent at this.

There is an episode: Once a Japanese happened to carry with himself Japanese wine - sake, as a souvenir in a bottle of about two litres. First, the sake was taxed just as he had expected; but secondly the bottle itself was also taxed as glassware. Mosquito punk was taxed as medicine and their packing cases as paper manufactures. Furthermore, duties were imposed even on the punk-holders; trifling bits of tin were regarded as steel products. What prohibitive taxes!

This is not a mere economic problem relating solely to Japan but a serious question touching humanity when we consider that the authorities are reluctant to allow the Annamese, who are badly off and whose wages are low, to buy the cheap, good things from nearby and force them, on the contrary, to purchase expensive goods produced by Europeans; thus they are doubling their exploitation.

/p.171/ TRADE GOODS

Important Trade Goods between Japan and French Indo-China.
(¥1,000)

(See Table Next Page)

Exports from Japan to French Indo-China.			Imports from French Indo-China to Japan.		
	1938	1939		1938	1939
Fresh vegetables	256	206	Corn	1.295	7.937
Chemicals	103	173	Table salt	1.548	1.489
Dyes, cosmetics and paints	478	138	Raw rubber	1.364	405
Raw silk	705	181	Pine tar	173	113
Cotton & Silk Fabrics	228	89	Lacquer	1.333	980
Coal	234	282	Coal	12.107	13400
China and porcelain	127	137	Ores and their finished goods	12.627	14161
Metal mfr.	98	68	Ores & metals	1.844	1.684
Machine wheels	170	107			
Boards for boxes	373	253			

The above list of the trade goods for 1939 shows the following:

Rice, once a first rank import item has gradually decreased in quantity as our government has restricted its import since 1928 in accordance with the Rice Control Law intended to maintain the price of rice. Coal, as a result, took the place of rice and occupies a prominent position, amounting to 13,000,000 yen in 1939, nearly the same as the ores and their completed products, which amounted to 14,000,000 yen. Corn, next to them, amounted to 8,000,000 yen; table salt to 1,500,000 yen. /p.172/

Other important items were lacquer and raw rubber. There are no major exports from Japan though cohesive-coal, valued at ¥280,000, veneer cases valued at ¥250,000, and raw vegetables, raw silk, china and porcelain are main items. Because of the high tariffs and quota system, cotton fabrics, the most important of our exports, have decreased to almost nothing, showing the figure of ¥90,000.

The Great Change Which is Necessary in Trade between Japan and French Indo-China.

French Indo-China, as is seen above, requires a lot of goods of Japan and Japan is expecting not a few from Indo-China. At the present stage, however, the trade is quite one-sided and though the disadvantage of this one-sided trade may be endured we can never acquiesce to see the unfortunate life of the 23,000,000 inhabitants of French Indo-China. However, unless France makes a great change in her policy it will be no good wishing.

Now that France proper has escaped from its old structure, as a result of being trampled under foot by Germany, it may be impossible, I believe, for French Indo-China, her colony, to maintain the old system. As French Indo-China has now come to cut a prominent figure in the East Asia Co-Prosperity Sphere, steps must naturally be taken in order to destroy the status quo. Especially with the occupation of French Indo-China by our Imperial Army as a turning point, we are convinced that French Indo-China will establish a closer friendship with Japan, and accordingly we earnestly desire positive efforts by Japan as well as a change of policy on the part of French Indo-China.

Doc 1615

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EXHIBIT NO. 1

陸軍大將 小磯國昭閣下 題字
早坂義雄 著

南方其宋園と其性格

霞ヶ関書房

四 佛領印意文郡と日本

1. 歴史的関係(二六頁)

2. 経済的関係(二六頁-三七頁)

微度世に排日関係 歴史的関係からすれば貿易
関係も密着するが、寧ろ、日、印、英は寧ろ反対の
方向に走つてゐる。これは佛本國の排他主義は、
高率税関保護関税を以て印米の運送を圧迫
するからである。

No. 1

佛印は印意文郡商工令により、佛國人
及佛本國の印意文郡関係者により、組織され、
決定の組織を有する。これは佛意文郡、
及利比亚等視し、自給自足を以て日本に輸入

Doc 16/5

競争關係にある佛蘭西國の生産を壓迫する。と云う理
由でフランス及び他國に對しては
故意國としての待遇を各各から佛印の輸入に關
する限り日本を除外するものがある。

日本は機會ある毎に二枚改定に努力を傾けて輸入
税を減らす。実行する所がある。従つて昭和七年に漸く
通商協定が成立し、日本が佛蘭西に對しては、
互に中絶税を適用を受けること、又佛印が
石炭、正館は日本に對して輸入税を減らすに成つた。
更に二枚協定成立後、關稅引上を実施し、昭和七年
以後は爲替低價國からの輸入に對しては爲替補
償附加税を賦課し、輸入割當制、又は許可制を
実行する等種々輸入制限方策を採用し、又佛
蘭西の發展は殆ど不可能な状態である。

この故に日本が佛印を金庫の所寶として
し、日本の輸入税を減らすことは在るべき
である。即ち昭和七年は一人一國を輸入に許す。

二六五五の國品に對して、輸入を減らす。之を金
輸入禁止の同義である。佛印はフランスの領土から佛國
の輸入税を減らす。又外國の輸入に對しては課税する
止むを得ないが、改定率の四倍の税金を日本に賦課す
るに金では儲かる外はない。之がよく日本が黙つてゐるが
不思議な状態である。

